

EXHIBIT Q



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

NOV 18 1994

Marshall E. Kelley
 Director of Medicaid
 Agency for Health Care
 Administration
 1317 Winewood Boulevard
 Building B, Room 233
 Tallahassee, Florida 32399-0700

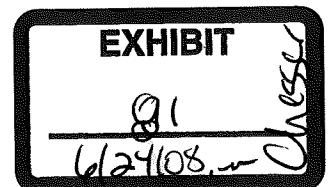
Dear Mr. Kelley,

The Office of Inspector General (OIG), at the request of the Health Care Financing Administration (HCFA), is conducting a nationwide review of pharmacy acquisition cost for drugs reimbursed under the Medicaid program. The objective of the review is to develop a nationwide estimate of the difference between the actual acquisition cost of drugs and the average wholesale price. The purpose of this letter is to request your assistance in the performance of this review.

Your State was 1 of 11 States randomly selected for this review. Additionally, we have randomly selected 60 pharmacies in your State from which we will request invoices. The sample selected is comprised of 12 pharmacies from each of 5 categories; (1) urban-independent, (2) urban-chain, (3) rural-independent, (4) rural-chain, and (5) non-traditional pharmacies such as nursing homes, hospitals, home IV, etc.

On August 30-31, 1994, we met with Susan McLeod of your staff, as well as Medicaid pharmacy program representatives from other States in the review, to develop a strategy for accomplishing this review. At the meeting, we drafted a standard letter to be sent to the pharmacies detailing our request for information. Your State has already provided a listing of the Medicaid pharmacy providers from which the sample of pharmacies was selected. Additionally, we are planning another meeting, in which we would like your staff's participation, after the review is completed to discuss the presentation of the results.

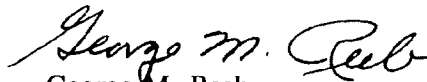
We are asking that you assist us in sending letters to the selected pharmacies in your State. As we discussed at our conference in August, we prefer that the letters be sent on your State letterhead. We have enclosed a copy of the standard letter (Enclosure A), the names and addresses of the selected pharmacies (Enclosure B), a Pharmacy Information Form (Enclosure C), and return envelopes for use by the pharmacies. An electronic copy of the letter and the pharmacy addresses in wordperfect format is also included.



Page 2 - Mr. Marshall E. Kelley

Please contact Bill Shrigley or Paul Chesser at 1-800-527-8323 if you have any questions or comments. Bill and Paul will also be glad to assist you in sending the letters to the pharmacies. Your cooperation in this matter will be greatly appreciated.

Sincerely yours,

A handwritten signature in cursive script, reading "George M. Reeb".

George M. Reeb
Assistant Inspector General
for Health Care Financing Audits

Enclosures

cc: Susan McLeod
Pharmacy Program Manager

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cc:

OAS Reading File

HCF Audits Control File

HCF Audits Auditor's Copy

HCF Audits Central File: _____

Suspense List: _____ Recorded By: _____

PROOFED: _____

B.JACKSON:nc:11/18/94

C:ST_LTTR.FL

Enclosure A

(State Agency Letterhead)

Dear Pharmacy Provider:

At the request of the Health Care Financing Administration (HCFA), Florida is participating with the Office of Inspector General (OIG) in conducting a nationwide review of drug acquisition costs of Medicaid pharmacy providers. Florida is 1 of 11 States selected as part of the review.

Your pharmacy is 1 of 60 pharmacies randomly selected from Florida to participate in this review. The sample selection reflects different categories of pharmacies including rural, urban, chain, independent, and others.

In order to ensure the validity of this study, the OIG requires that you provide the following information:

- o A copy of the largest invoice for (Insert Month) of 1994 from each source of supply. The largest invoice is defined as the invoice with the largest number of legend drug line items. Sources of supply include wholesalers, chain warehouse distribution centers, generic distributors, and direct manufacturer purchases.
- o A copy of the billing statement for the corresponding invoice from each source of supply.
- o A completed information form (enclosed).

Please be assured that the information you provide will be kept confidential and will be strictly used for the purposes of this review. As part of the OIG's quality assurance program, your information may be subject to an on-site review.

The completed information should be returned to the OIG in the enclosed pre-addressed stamped envelope no later than 15 days from the date of this letter. We appreciate your cooperation in this matter. Should you have any questions regarding our request, please contact William Shrigley or Paul Chesser of the OIG at 1-800-527-8323.

Sincerely,

(State Agency Official)

Enclosure

Enclosure A

Enclosure C

Confidential

Pharmacy Information Form

Pharmacy Name: _____

Address: _____

Phone Number: _____

Contact Person: _____

Type of Pharmacy
(Check Appropriate Block(s))

Independent Retail Pharmacy ☐

Chain (four or more stores) Pharmacy ☐

Other:

Nursing Home Pharmacy ☐

Hospital Outpatient Pharmacy ☐

Home I.V. Pharmacy ☐

Mail Order Pharmacy ☐

County Public Health Unit Pharmacy ☐

Public Health Entity ☐

URBAN - INDEPENDENT

BROWN PHARMACY
312 WEST 8TH STREET
JACKSONVILLE, FL 32206
April

X-TRA DISCOUNT DRUGS
C/O ALLEN MEDICAL SVCS., INC
5540 GALL BLVD.
ZEPHYRHILLS, FL 34248
May

TRAFFORD DRUGS INC
DBA/MCLENDON DRUGS
400 NORTH 15TH ST.
IMMOKALEE, FL 33934
June

MUSE DRUG CORP D/B/A LUDLUM DRUGS
1601 S W 67 AVE
WEST MIAMI, FL 33155
July

HUBER DRUGS
P O BOX 1630
331 E ATLANTIC AVE
DELRAY BEACH, FL 33444
August

JUSTA FARMACIA
3436 SW 8TH ST
MIAMI, FL 33135
September

SAVE MORE DRUGS
SUITE 1191
745 ORIENTA AVENUE
ALTAMONTE SPRINGS, FL 32701
January

PEPE'S PHARMACY INC
10845 SW 40TH ST
MIAMI, FL 33165
February

MARSHALLS PHARMACY
741 MONTROSE STREET FL
CLERMONT, FL 32711
March

FARMACIA FINA INC.
NAVARRO ANGEL RAFAEL, PREST.
1000 E. 4 AVE.
HIALEAH, FL 33010
April

CHARLIES DRUGS
12420 PALM BEACH BLVD
FORT MYERS, FL 33905
May

FIFTH AVENUE PHARMACY
401 W. ATLANTIC AVE
DELRAY BEACH, FL 33444
June

Enclosure B
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URBAN - CHAIN

| | |
|---|-----------|
| WALGREENS #02091 #164 7800 HIGHWAY 17-92 FERN PARK, FL 32790 | July |
| PUBLIX PHARMACY #7365 CENTER OF BONITA SPRINGS 3306 BONITA BEACH RD BONITA SPRINGS, FL 33923 | August |
| WALGREENS #00933 1149 APALACHEE PARKWAY TALLAHASSEE, FL 32301 | September |
| WAL-MART PHARMACY 10-1444 9119 MERRILL SUITE 50 JACKSONVILLE, FL 32211 | January |
| WALGREENS #02394 1527 N. SINGLETON AVE. TITUSVILLE, FL 32796 | February |
| KMART PHARMACY #4723 1650 AIRPORT BLVD. PENSACOLA, FL 32504 | March |
| KASH N KARRY #892 FLORIDA FOOD DIV-LUCKY 5320 ENRLICH RD TAMPA, FL 33624 | April |
| ECKERD DRUGS #2652 5402 CENTRAL FL. PKWY. ORLANDO, FL 32821 | May |
| ECKERD DRUGS #48 1733 N. DALE MABRY HWY TAMPA, FL 33607 | June |
| ECKERD DRUGS #137 3530 WEST DAVID BLVD FT. LAUDERDALE, FL 33312 | July |
| ECKERD DRUGS #2100 3345 U.S. HWY 441 FRUITLAND, FL 32731 | August |
| WALGREENS #01006 260 E. EAU GALLIE BLVD INDIAN HARBOUR, FL 32937 | September |

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Enclosure B
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RURAL - INDEPENDENT

| | |
|--|-----------|
| COBO PHARMACY 937 FLEMING STREET KEY WEST, FL 33040 | January |
| GILBERT DRUGS 301 S CIRCLE SEBRING, FL 33870 | February |
| GOLDEN PHARMACY, INC. 218 NORTH MAIN STREET BLOUNTSTOWN, FL 32424 | March |
| JACKSON DRUG STORE 166 DOGWOOD STREET MONTICELLO, FL 32344 | April |
| CARRABELLE MEDICAL PHARMACY 206 S. MERIDAN ST. CARRABELLE, FL 32322 | May |
| FISHER PHCY 12 BALDWIN AVENUE PO BOX 169 DEFUNIAK SPRINGS, FL 32433 | June |
| PERKINS CLINIC PHARMACY 2300 5TH AVE. VERO BEACH, FL 32960 | July |
| BAY STREET PHARMACY 7746 BAY STREET, BOX 368 ROSELAND, FL 32957 | August |
| THE APOTHECARY VILLAGE SQUARE HWY 136A DOWLING PARK, FL 32060 | September |
| HEARTLAND PHARMACY 6801 US HWY 27 NORTH SEBRING, FL 33872 | January |
| PARAMORE'S PHARMACY 4314 5TH AVENUE MARIANNA, FL 32446 | February |
| LAKE PLACID DRUG CO., INC. 208 E INTERLAKE BLVD LAKE PLACID, FL 33852 | March |
| JACKSONS DRUG STORE 607 GRAND ST. GREENVILLE, FL 32331 | April |

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RURAL - CHAIN

| | |
|---|-----------|
| RITE AID OF FLA. #2030 839 PINWOOD DRIVE S.W. LIVE OAK, FL 32060-4495 | May |
| WAL-MART #10-1205 1160 S. 6TH ST MACCLENNY, FL 32063 | June |
| CITY DRUGS-CHIPLEY 400 SOUTH BLVD., WEST CHIPLEY, FL 32428 | July |
| WAL-MART #10-0811 FL. HWY 70 EAST & TURNER ARCADIA, FL 33821 | August |
| WALGREENS #01547 13415 U.S. 1 ROSELAND(SEBASTIAN) SEBASTIAN, FL 32958 | September |
| WALGREENS 02777 2805 NORTH ROOSEVELT BLVD. KEY WEST, FL 33040 | January |
| RITE AID PHARMACY # 3433 LAKE GROVE SHOPPING CENTER 919 N. SUMMIT HWY # 17 CRESCENT CITY, FL 32112 | February |
| RITE AID PHARMACY # 899 CENTENNIAL SQ S/C 412 E. NOBLE AVE. WILLISTON, FL 32696 | March |
| PUBLIX PHARMACY # 7475 2685 N. FOREST RIDGE BLVD. HERNANDO, FL 34442 | April |
| ECKERD DRUGS #258 1405 E. OAK STREET ARCADIA, FL 33821 | May |
| WALGREENS #01018 4546 S SUNCOAST BLVD HOMASASSA SPRINGS, FL 32646 | June |
| KASH N KARRY #702 1651 S.E. HIGHWAY 19 CRYSTAL RIVER, FL 32629 | July |

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Enclosure B
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OTHER

MANATEE CO HLTH DEPT
410 6TH AVE EAST
(PHARMACY)
BRADENTON, FL 34208

ROCHE PROFESSIONAL SERVICE
1000 PARK CENTRE BLVD.
SUITE 128
MIAMI, FL 33169

GARDENS I.V. ASSOC., INC.
11211 PROSPERITY FARMS ROAD
SUITE C-211
PALM BEACH GARDENS, FL 33410

OWEN HEALTHCARE, INC.
3600 SOUTH HIGHLANDS AVE.
SEBRING, FL 33870

METHODIST REGIONAL PHARMACY
580 WEST 8TH ST.
JACKSONVILLE, FL 32209

CORAL MEDICAL EQUIPMENT SP
89015 OVERSEAS HIGHWAY
SUITE 3
TAVERNIER, FL 33070

APOPKA FAMILY HEALTH CTR PHARMACY
225 EAST 7TH STREET
(VETRANS HEALTH CARE ACT)
APOPKA, FL 32703

UNI-SCRIPT PHARMACEUTICAL
SYSTEM C
1145 S. TAMIAMI TRAIL
SARASOTA, FL 34237

PALM BCH CNTY HEALTH CARE DISTRICT
110 NORTH "F" ST
LAKE WORTH, FL 33460

PALM BCH CNTY HEALTH CARE DISTRICT
PBC COMMUNITH PHARMACY
38754 STATE ROAD 80
BELLE GLADE, FL 33430

HRS CENTRAL PHARMACY
2818 MAHAN DRIVE
TALLAHASSEE, FL 32308-5410

UNI-SCRIPT PHARMACEUTICAL
THE MEDICINE SHOPPE
3931 CENTRAL AVE
ST PETERSBURG, FL 33713